

FOR IMMEDIATE RELEASE

Notice Concerning Conclusion of Absorption-type Corporate Split Agreement Relating to Car Information Systems Business Realignment

Tokyo, February 22, 2013 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Automotive Systems, Ltd. (“Hitachi Automotive Systems”) on December 6, 2012 announced that the two companies agreed that the operations of the Car Information Systems (“CIS”)*¹ Division of Hitachi Automotive Systems would be transferred to the Information & Telecommunication Systems Company of Hitachi on April 1, 2013 through a corporate split. The purpose of the transfer is to drive expansion and growth of the Hitachi Group’s CIS business and optimize the business structure in this field. Having concluded an absorption-type corporate split agreement today, the two companies have announced matters that were undecided in the press release issued on December 6, 2012, as follows. Changes to that press release are underlined.

*1 Car Information Systems (“CIS”): Systems for realizing a new automotive society for the next generation combining ICT (Information & Communication Technology) services and solutions, and car information systems incorporated with in-car information terminals such as car navigation systems.

1. Outline of the Corporate Split

(1) Corporate Split Schedule

Execution of Corporate Split Agreement	<u>February 22, 2013</u>
Scheduled Corporate Split Date (Effective Date)	April 1, 2013 (Tentative)

* For Hitachi, the corporate split is deemed to be a simple absorption-type corporate split pursuant to Article 796, Paragraph 3 of the Companies Act of Japan. And for Hitachi Automotive Systems, the corporate split is deemed to be a short-form absorption-type corporate split pursuant to Article 784, Paragraph 1 of the Companies Act of Japan. Therefore, Hitachi and Hitachi Automotive Systems do not plan to convene shareholders’ meetings to obtain approval for the corporate split agreement.

(2) Corporate Split Method

This is an absorption-type split in which Hitachi Automotive Systems is the transferring company and Hitachi is the successor company.

(3) Details of Allotments Related to the Corporate Split

Hitachi will pay Hitachi Automotive Systems cash in the amount obtained by deducting the equivalent carrying value of liabilities from the equivalent carrying value of assets included in rights and obligations subject to succession on the day before the effective date of this corporate split.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Corporate Split

Hitachi Automotive Systems has not issued any stock acquisition rights or bonds with stock acquisition rights.

(5) Capitalization Changes Accompanying the Corporate Split

The corporate split will result in no change in capitalization of Hitachi.

(6) Succession of Rights and Obligations

Hitachi will succeed to all rights and obligations of Hitachi Automotive Systems relating to the business to be transferred, including assets, intellectual property, claims, obligations, the statuses under contract and labor agreements with employees.

The succession of obligations by Hitachi from Hitachi Automotive Systems will be carried out through the cumulative assumption of obligations, with the burden of the obligations borne by Hitachi.

(7) Prospect on Fulfillment of Obligations

It is judged that there should be no problems in fulfilling all obligations that should be borne by Hitachi in the corporate split.

2. Overview of the Business to Be Transferred

(1) Businesses of the Business to Be Transferred

Car information systems business for automobiles such as the telematics business

(2) Business Results of the Business to Be Transferred

Revenues : 7,716 million yen (Year ended March 31, 2012)

(3) Assets and Liabilities to Be Transferred (As of March 31, 2013)

(Millions of yen)

Category	Details	Amount
Assets to be transferred	Inventory, Tangible and Intangible assets, Long-term prepayments, etc.	1,462
Liabilities to be transferred	Advances received, etc.	296
Net amount	-	1,166

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;

- the potential for significant losses on Hitachi's investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations by earthquakes, tsunamis or other natural disasters;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totalled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, industrial, transportation and urban development systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Hitachi Automotive Systems, Ltd.

Hitachi Automotive Systems, Ltd. is a wholly owned subsidiary of Hitachi, Ltd., headquartered in Tokyo, Japan. The company is engaged in the development, manufacture, sales and services of automotive components, transportation related components, industrial machines and systems, and offers a wide range of automotive systems including engine management systems, electric power train systems, drive control systems and car information systems. For more information, please visit the company's website at <http://www.hitachi-automotive.co.jp/en/>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
